

BOARD LETTER – SUMMARY SHEET
HEALTH AND MENTAL HEALTH SERVICES CLUSTER

AGENDA REVIEW	12/14/16
BOARD MEETING	1/10/17
SUPERVISORIAL DISTRICT	All
DEPARTMENT	Department of Mental Health (DMH)
SUBJECT	APPROVAL OF A PROPOSITION A AGREEMENT WITH MAGELLAN PHARMACY SOLUTIONS, INC. FOR PHARMACY BENEFIT MANAGEMENT SERVICES AND APPROVAL FOR HIRING AUTHORITY TO FILL AN ORDINANCE ITEM TO PROVIDE TECHNICAL SUPPORT
PROGRAM	Office of the Medical Director
DEADLINES	N/A
COST & FUNDING	For FY 2016-17, the estimated prorated cost for the PBM Agreement with Magellan for one (1) month of prescription drug services, including medication cost and six (6) months of ancillary services is \$684,958, fully funded by State MHSA and 2011 Realignment revenue. For subsequent FYs, the estimated cost is \$7,099,838 per year, including medication costs. The funding for these FYs will be requested in the annual budget request process. The estimated cost of the requested ordinance position is \$145,908, including operating costs for FY 2016-17. This position is fully funded with 2011 Realignment revenue. Sufficient appropriation for these services and the ordinance position is included in the DMH FY 2016-17 Final Adopted Budget. There is no increase in net County cost associated with the above recommendations.
PURPOSE OF REQUEST	Board approval of the proposed actions will ensure that uninsured DMH clients will have access to a large number of licensed pharmacies throughout Los Angeles County for their pharmaceutical needs, decrease medication costs, improve quality of care, and help achieve DMH's goal of having a fully integrated Electronic Health Record and e-prescribing platform.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments;)	Prop A requires that departments assess any potential impact of the recommended Agreement. There is no significant risk exposure to the County. The award of this Agreement will not infringe on the role of the County in its relationship to its residents and the County's ability to respond to emergencies will not be impaired. The Agreement will not result in reduced services, but will expand access to pharmacies for uninsured DMH clients from 81 pharmacies to 1,700 pharmacies. There is no employee impact as a result of this Agreement since the existing employees will be needed for oversight of the Agreement. In addition, the department has determined that it has alternative resources available in the event of default.
DEPT. & COUNTY COUNSEL CONTACTS	DMH: Roderick Shaner, M.D., Medical Director, rshaner@dmh.lacounty.gov (213) 738-4603 County Counsel: Sharon Reichman, sreichman@counsel.lacounty.gov (213) 974-1866